

FISCAL NOTE

Bill #: SB0491 **Title:** Revise statutes on research and commercialization to implement appropriations

Primary Sponsor: Stonington, E **Status:** As Introduced

Sponsor signature	Date	Chuck Swysgood, Budget Director	Date
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Fiscal Summary

	<u>FY 2004 Difference</u>	<u>FY 2005 Difference</u>
Expenditures:		
General Fund (01)	(\$88,804)	(\$88,343)
State Special Revenue (02)	\$120,902	\$120,400
Revenue:	\$0	\$0
Net Impact on General Fund Balance:	\$88,804	\$88,343

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- | | |
|---|--|
| <input type="checkbox"/> Significant Local Gov. Impact | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts |
| <input type="checkbox"/> Dedicated Revenue Form Attached | <input type="checkbox"/> Needs to be included in HB 2 |
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Fiscal Analysis

ASSUMPTIONS:

1. SB 491 was requested by the Senate Finance and Claims Committee during its recent deliberations on HB
2. SB 491, as introduced, authorizes the payment of administrative costs for the Board of Research and Commercialization from the board's special revenue account instead of the general fund. In essence, SB 491 proposes to shift the funding of the board's administrative costs from the general fund to the board's special revenue account.
2. The Board of Research and Commercialization Technology was created by the 1999 Montana Legislature to: 1) provide a predictable and stable source of funding for research and commercialization projects; 2) expand and strengthen research efforts for the state's basic industries to increase their economic impact on the state economy; and 3) expand research efforts into areas beyond the scope of the basic industries to diversify and strengthen economic security through the creation of technology-based operations and long-term quality jobs. The board has the statutory authority to make grants or loans to research and commercialization centers if the projects to be funded:
 - Have potential to diversify or add value to a traditional basic industry of the state economy
 - Show promise for enhancing technology-based sectors or commercial development of discoveries
 - Employ or take advantage of existing research and commercialization strengths
 - Have a realistic and achievable project design

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(continued)

- Employ an innovative technology
 - Are located in the state
 - Have a qualified research team
 - Have scientific merit based on peer review
 - Include research opportunities for students
2. Under current statute, the Board of Research & Commercialization is statutorily transferred \$3.65 million each year from interest earnings on the permanent coal tax trust fund to be used for grants and loans. Interest earnings of approximately \$80,000 each year on board's special revenue account are also retained in the account. Because the Legislature currently plans to continue the full program, personal services costs increase to current level, which is higher than the HB 2 Governor's recommendation made to save general fund under a reduced program.

FISCAL IMPACT:

Department of Commerce Pgm 50	FY 2004	FY 2005
	<u>Difference</u>	<u>Difference</u>
FTE	2.00	2.00
<u>Expenditures:</u>		
Personal Services (General Fund) (HB2)	(\$57,850)	(\$57,716)
Personal Services (State Special Revenue)(SA)	89,948	89,773
Operating Expenses (General Fund) (HB2)	(30,954)	(30,627)
Operating Expenses (State Special Revenue)(SA)	<u>30,954</u>	<u>30,627</u>
TOTAL Statutory Appropriation	\$120,902	\$120,400
<u>Funding of Expenditures:</u>		
General Fund (01)	(\$88,804)	(\$88,343)
State Special Revenue (02)	120,902	120,400
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>		
General Fund (01)	\$88,804	\$88,343
State Special Revenue (02)	(\$120,902)	(\$120,400)